A Letter from Paul Boulis,
President, Blue Cross and Blue Shield of Illinois

Blue Cross and Blue Shield of Illinois’ (BCBSIL) strong working relationships with physicians and hospitals in the state are the cornerstones of our business. Together, we provide access to health care for more than four million BCBSIL members across Illinois. Our combined efforts not only enhance the health and wellness of your patients and our members, they also have a profound impact on the health and wellness of our entire state.

Last year, we shared with you our commitment to further promoting health and wellness – and we have made significant progress. By working closely with you, we have advanced programs that enhance the quality of patient care, and we have improved and streamlined administrative processes to help make tasks easier.

This year, we are addressing one of the most pressing health problems in our state: the uninsured population. More than 1.7 million people in Illinois are without health insurance. A large portion of the uninsured – as many as 500,000 people – includes employees of small businesses that don’t provide health insurance coverage, or members of their families. This lack of coverage is not only detrimental to people’s health and well-being but also to their financial security. Additionally, uncompensated care is a financial burden on employers, providers, individuals and others, because it increases overall health care costs.

In an effort to provide affordable health coverage to the uninsured who work for many small businesses in our state, BCBSIL has proposed the Health Insurance Choice Act, which would add resources to the health system and reduce uncompensated care.

Under our proposal, businesses with two to 50 employees would be required to offer a range of health insurance coverage options but not be required to contribute to the premiums. The proposal calls for state tax credits to help employers contribute if they desire.

Our objective is to maintain a standard process for handling provider appeal requests and to ensure proper handling of appeals. As a Blue Cross and Blue Shield of Illinois contracting provider, there are several facts you should know before you submit an appeal. A thorough understanding of what qualifies as an appeal will help expedite the appeal process.

What is a provider appeal?
A provider appeal is a request for review of a denial of benefits for services.

What are the different types of provider appeals?
1. Clinical: An appeal regarding denial of benefits for a service that is a covered benefit in the member’s Certificate of Healthcare Benefits/benefit booklet or could be considered to be a covered benefit, when the basis for the appeal is clinical.

Examples of a clinical appeal are:
• Appeals involving a denial of benefits on the basis of lack of medical necessity.
• Appeals regarding a denial of benefits for an experimental or investigational service when the basis for the appeal is that the practitioner feels the service is not experimental or investigational.

Please note: Appeals are not considered to be clinical when there is no clinical basis for the appeal, and/or when a service is explicitly excluded in the member’s Certificate of Healthcare Benefits/benefit booklet.

2. Standard Clinical: Requested when services are not urgent, or when the member is no longer receiving services, or the member is discharged from an inpatient facility.
Businesses would qualify if their employees’ average salary is at or below 250 percent of the federal poverty level, and they have not offered health insurance in the past 12 months. Like large businesses and many other employers that offer coverage, participating employers would be able to offer a range of plans, including a lower-cost option with first-dollar coverage for preventive services. All health insurance carriers in the state would be required to participate.

As we continue to work together in the coming year, I encourage all of you to visit Blue Cross’ Web site at www.bcbsil.com for complete and up-to-date information and resource materials, such as reference guides, workshop schedules, medical policy information, and our drug formulary.

On behalf of everyone at Blue Cross and Blue Shield of Illinois, I wish you and your families a happy and healthy new year!

In an effort to comply with Fairness In Contracting Legislation and keep our contracting providers informed, BCBSIL has designated a column in the Blue Review to notify you of any changes to the physician fee schedules. Be sure to review this area each month.


Reminder: The reimbursement for CPT code 90649, Human Papilloma Virus (HPV), vaccine is $125 per dose.

Providers can request fees by downloading the Fee Schedule Request Form at www.bcbsil.com/provider/forms.htm.
PHARMACY

BENEFIT MANAGEMENT
BCBSIL’s prescription drug benefits are based on the use of our formulary. The BCBSIL formulary is a list of preferred drugs that have been carefully reviewed and selected by our Pharmacy Benefit Management’s (PBM) national Pharmacy and Therapeutics Committee. Periodic updates to the listing of drugs included on the formulary will be published in future editions of Blue Review and are also available for viewing on our Web site at www.bcbsil.com/rx.

BCBSIL utilizes only one formulary for all of its product lines (HMO, PPO, POS) and it is structured as an open formulary design; meaning that unless a therapeutic class is excluded by the benefit (such as cosmetic drugs) nearly all products requiring a prescription are covered. While copayment amounts may vary by employer, most benefit designs based on the BCBSIL formulary utilize a 3-tier copayment structure.

Drugs may fall into one of the three tiers listed below based on their status.
- Generics 1st tier (lowest copay)
- Formulary Brands 2nd tier
- Nonformulary Brands 3rd tier (highest copay)

All multi-source generic products are on the formulary at the 1st tier and are subject to the lowest copayment amount. Preferred branded products are subject to the middle tier copayment amount and nonformulary products, which typically include brand name products that have generics available, and nonpreferred brand products, are subject to the highest copayment amount.

BCBSIL does not require mandatory generic substitution when a generic is available, but utilizes voluntary member and provider incentives to encourage the use of generics.

BCBSIL has instituted certain clinical programs to optimize appropriate medication usage. Prior authorization is in place on a limited number of medications. This program requires the prescriber to receive pre-approval for prescribing a drug in order for the drug to qualify for coverage under the terms of the pharmacy benefit plan. Step therapy, which requires the use of a recognized first line drug before approval of a more complex second line drug is given, is another clinical program that is utilized for certain drug classes. Copies of the criteria used for prior authorization and step therapy programs, as well as, request forms are available on our Web site at www.bcbsil.com.

The standard benefit design allows our members to obtain up to a 34-day supply of most medications from a participating retail pharmacy for one copayment. Some medications that are taken on an as needed basis may be subject to certain quantity limitations. A complete listing of these medications can be found in the pocket formulary or on our Web site at www.bcbsil.com. Larger quantities of maintenance medications are available through our mail-order benefit, and some retail pharmacies for our HMO benefit.

HMO PRIOR AUTHORIZATION (PA)/STEP THERAPY (ST) PROGRAM
The goal of the PA and Step Therapy programs is to manage the use of certain medications that have the potential for misuse and/or are high cost. Currently there are three therapeutic categories subject to PA: anabolic steroids, growth hormones, and medications used to treat Hepatitis C. In addition there is ST for rheumatoid arthritis and psoriasis. Starting January 1, 2007, at renewal, an additional category will be added: certain medications used in the management of high blood pressure. These medications fall into 2 categories: angiotensin converting enzyme (ACE) inhibitor and angiotensin receptor blocker (ARB).

PA criteria are developed and approved by health care professionals (doctors, pharmacists, etc) based on clinical studies, practice guidelines, approved indications and dosing and consultation with specialists as needed.

Rationale for high blood pressure ST:
Brand ACE inhibitors and ARBs are usually more expensive than generic ACE inhibitors. In most cases, ACE inhibitors are as effective as ARBs and work similarly to reduce high blood pressure and to treat other cardiovascular conditions.

Drugs impacted:
- Atacand/HCT, Avalide, Avapro, Benicar/HCT, Cozaar, Diovan/HCT, Hyzaar, Micardis/HCT, Teveten/HCT
- Accupril, Accuretic, Aceon, Altace, Capoten, Capozide, Lotensin/HCT, Mavik, Monopri/HCT, Prinivil, Prinzide, Univas, Uniretic, Vasotec, Vaseretic, Zestril and Zestoretic

Note: There will be no notification for members on these high blood pressure medications because Step Therapy allows continued coverage (grandfathering) of all members currently on these medications.
BLUE DISTINCTION CENTERS™ for Specialty Care

In our December 2006 Blue Review article, we announced Blue Distinction, a nationwide initiative between independent Blue Cross and Blue Shield plans and the Blue Cross and Blue Shield Association (BCBSA). As part of this initiative, national Blue Distinction Centers for bariatric surgery, cardiac care, and transplant services have been developed to foster health care transparency with two goals in sight: engaging consumers to make informed health care decisions and collaborating with providers to improve outcomes of patient care services.

Blue Distinction is the only program that offers a nationwide and comprehensive approach to specialty centers. Blue Distinction Centers are selected based on objective clinical and quality data.

**Blue Distinction Centers for Cardiac Care**

Selection is based primarily on the facilities’ responses to the Blue Distinction Centers for Care detailed clinical request for information (RFI) survey that examines structure, process and outcome measures for cardiac services. The nationally established criteria for becoming a Blue Distinction Center for Cardiac CareSH™ include:

- Full-service, accredited inpatient hospital facility;
- Program must be performing a required volume of percutaneous coronary interventions and coronary artery bypass graft surgeries and provide a full range of services, including inpatient cardiac care and cardiac rehabilitation;
- Sub-specialty board certification of cardiac team;
- Ongoing quality management and improvement programs; and
- Cardiac care processes and outcomes for acute myocardial infarction, heart failure, percutaneous coronary interventions and coronary artery bypass graft surgery, including evaluation of complication and mortality rates.

In addition, hospitals must perform a minimum of 200 PCI procedures and at least 150 open adult cardiac surgical procedures per year. Facilities performing between 100 and 149 open adult cardiac surgical procedures per year will be considered. Facilities must, however, meet a specified set of structure, process and outcome requirements to demonstrate quality of cardiac care.

For more information on the measures used and a summary of the program requirements, please visit the Blue Cross and Blue Shield Association Web site at: www.bcbs.com/bluedistinction/centers.html

**Special Note:** To determine eligibility and benefits, members and providers are encouraged to contact our Blue Cross and Blue Shield of Illinois customer service departments.

**Correction:** In our December 2006 Blue Review article, Announcing Blue Distinction Centers for Specialty Care, an incorrect location for Evanston Northwestern Hospital was listed. Below is the correct location information.

<table>
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<tr>
<th>Distinction Centers For Bariatric Surgery</th>
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<td>Alexian Brothers Medical Center</td>
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<td>Evanston Northwestern Hospital</td>
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<tr>
<td>Northwestern Memorial Hospital</td>
<td>Chicago</td>
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<tr>
<td>University of Illinois Medical Center</td>
<td>Chicago</td>
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</table>

**Medical Policy Disclosure Statement**

New or revised Medical Policies will be posted in the “Pending Policies” section of the Medical Policy site on the Blue Cross and Blue Shield of Illinois Web site. The new or revised policies will be available on the first day of each month. The specific effective or implementation date will be noted for each policy that is posted.

To review these policies, visit our Web site at www.bcbsil.com/provider and select “Medical Policies.” After reading the Medical Policies Disclaimer, click on “I Agree.” The policies that are awaiting implementation can be found in the “Pending Policies” selection of the Medical Policy site.
Rendering or Performing Provider Numbers on Electronic Claims

If your practice has more than one physician or is considered a Multi-Specialty Group, remember you should be including your nine (9) digit Illinois (IL) State License Number on claims submitted electronically to Blue Cross and Blue Shield of Illinois.

In the past, we have emphasized the importance of submitting the performing provider IL State License Number to help eliminate claim filing problems when multiple services are performed on the same day, but rendered by a different physician(s) within the same medical group. We continue to receive claims from many medical groups without this information. Please contact your software vendor immediately and instruct them to include the IL State License Number on all medical group claims at the claim, and if applicable, the service line level.

By providing the IL State License number, this will help to reduce duplicate denials as well as allow us to more efficiently process your claims through the National BlueCard Program. The IL State License Number must match the provider specialty code that we have on file for you. We also validate claim information against our Provider File, so it is important that we have the state license number of every physician in your practice.

Claim Guidelines
2310B Loop: If the Performing Provider rendered services for the claim, please provide us with the IL State License number of the performing provider at the claim level only using the "0B" qualifier.

2420A Loop: If multiple performing providers rendered services for the same claim, then the IL State License number of each performing provider must be present on each service line(s) in which services were rendered, as well as the Primary Performing Provider’s IL State License number at the claim level (2310B Loop).

Verifying your practice information through Provider Finder®
As a participating provider, you can use the new Provider Finder tool to find your listing and ensure we have your most accurate practice information on our Web site. Provider Finder is updated weekly and remains the most current resource for members looking for contracting network providers.

Follow these quick, easy steps to view your listing:
1. Log in to www.bcbsil.com
2. Choose “Provider Finder®”
3. Select Search by Name
4. Select a State
5. Enter your last name and first name (optional)
6. Choose Search, and your name, specialty and health plan product will appear
7. Enter View Provider Details to verify your other practice and demographic information

How to update your file
If there has been a change in your practice information, or if you find discrepancies or the wrong information in your file, communicate those changes to us promptly by accessing the Provider Update Form:
1. Log in to www.bcbsil.com
2. Choose “Providers”
3. Select the “Change Your Information” icon in the bottom left hand corner of the page
4. Complete the form online, populating all required fields
5. Select “Submit”

You can also download the Provider File Update Form (PDF) and send the information to our Provider Services Department via fax at (312) 856-1946. You have the option to mail the information using your own letterhead. Mail to: 

300 E. Randolph Street, Chicago, Illinois 60601-5000. Attention: Provider Services, 23rd Floor.

We are receiving claims from many of you with the Illinois State License Number present and we want to thank you and your vendor for cooperating in this effort.

Complete the following segments for claims submitted for BCBSIL, Payer ID of G00621:

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</table>

Managed Care Web Updates

HMO and BlueChoice Updated Policy and Procedures on Web. On a monthly basis, we post updated policy and procedures on our Web site under “Updates”. Go to www.bcbsil.com/provider to view the updated policies.

HMO and BlueChoice Appointment/Reappointment Report on Web. On a monthly basis, we post a report of the Appointed and Reappointed providers on our Web site. To access this report, go to www.bcbsil.com/provider. Select “Appointed/Reappointed PCPs/PSPs” under the Credentialing/Contracting section. The data provided is cumulative and is updated by the 3rd Wednesday of each month.


Clear Claim Connection Now Available on the Web

Last April, BCBSIL implemented Clear Claim Connection (C3)*, an online code auditing tool that enables us to disclose our claim auditing rules and clinical rationale to our contracting provider network.

C3 is now easily accessible and available for viewing by you and your office staff through our provider Web site.

How to Access C3
Visit the BCBSIL Web site at https://www.bcbsil.com/provider/index.htm. Click on Clear Claim Connection, under Provider Tools, to access the web application. If you have not previously registered for C3 through RealMed, you can now set up an account by registering online, at no charge. Select “register” and complete the application process to secure your user name and password.

At this time, the ClaimCheck system is updated on a monthly basis as well as upgraded on an annual basis. This results in modifications to certain edit combinations. The C3 Web site provides results that are effective on the current date, not necessarily the service date.

*Clear Claim Connection, ClaimCheck and CodeReview are trademarks of McKesson Information Solutions, Inc., an independent contractor
Save the Date!

The Blue Cross and Blue Shield of Illinois (BCBSIL) Provider Affairs Education Team wishes to express our appreciation to all of the hospitals that allowed us to use their facilities for our off-site provider seminars in 2006. We are proud to continue the tradition of offering complimentary workshops and seminars to our contracting provider network, and plan to continue to make new, experienced and specialty educational workshops available in your community.

2007 Workshop Schedule

We are preparing our 2007 workshop schedule, which will include the following topics:

- Physicians (New and Experienced)
- BlueCard (Out of Area) Focus
- Labor Focus
- e-Solutions (Electronic capabilities)
- What's New at Blue?
- Combined Professional/Institutional

With your help we can bring one of these workshops to a convenient location near you. Please visit our Web site at www.bcbsil.com/providers and complete the workshop survey, letting us know which location(s) you prefer. If you are a contracting PPO hospital in Illinois or Northwest Indiana, and you are interested in hosting a provider workshop, please contact us at (312) 653-4019.

Make sure to go online at www.bcbsil.com/provider/training.htm to view the schedule and register for our workshops offered at a site near you.

<table>
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<tr>
<th>Workshop</th>
<th>Date</th>
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<tr>
<td>What's New at Blue &amp; BlueCard?**</td>
<td>January 24, 2007</td>
<td>Elmhurst Memorial Center for Health, Elmhurst</td>
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<td>New Contracting Provider**</td>
<td>January 31, 2007</td>
<td>In-house – BCBSIL</td>
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<tr>
<td>What's New at Blue &amp; BlueCard???</td>
<td>February 5, 2007</td>
<td>Little Company of Mary, Evergreen Park</td>
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<td>New Contracting Provider**</td>
<td>February 12, 2007</td>
<td>Advocate Good Shepherd Hospital, Barrington</td>
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<td>Managed Care Roundtable</td>
<td>February 14, 2007</td>
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<td>What's New at Blue &amp; BlueCard???</td>
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<td>Evanston Hospital, Evanston</td>
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<td>What's New at Blue &amp; BlueCard???</td>
<td>March 28, 2007</td>
<td>St. Alexius Medical Center, Hoffman Estates</td>
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*Please note: The January 24th workshop has been changed from “Experienced Contracting Provider” to “What’s New at Blue & BlueCard?”
**Providers that have been in the PPO Network less than 2 years
***Providers that have been in the PPO Network over 2 years

Get Faster and Easier Information Electronically for Blue Members

Want a faster and easier service that reduces the time your office spends checking eligibility and benefits for Blue members?

With one click of a mouse, you can directly access THIN Online:

- **Check Eligibility** - Get a faster way to verify eligibility and benefits for members of other Blue Plans. For each request, BCBSIL is committed to providing you with more detailed information on a member’s cost sharing amounts.

- **Timely Electronic Transactions** - Go electronic and get faster responses to your inquiries for local members and members from other Blue Plans. Most of the responses from BCBSIL will be sent to you within 10 seconds.

- **Reliable Local Service** – BCBSIL is your single point of contact for all inquiries, including submitting claims electronically. Use electronic capabilities to reduce your time completing claim forms and get faster and more accurate claims processing.

For more information on electronic services, please contact our Electronic Data Interchange (EDI) Department at (312) 653-7954.
New Account Groups

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**Serious Mental Illness Legislation Changes for 2007**

Earlier this year the State of Illinois passed two statutes – Public Act (PA) 094-0906 (introduced as HB 4125) and PA 094-0921 (introduced as HB 4202) – that amend the Illinois Serious Mental Illness (SMI) statute (215 ILCS 5/370c) by expanding benefits for insured groups and HMOs. BCBSIL is implementing these provisions and incorporating them into new and existing benefit plans, effective January 1, 2007, or upon employer group renewal.

If you are a behavioral health provider, please remember to verify member benefits and eligibility through THIN Online or by contacting our Provider Telecommunications Center at (800) 972-8088.
Your views are important to us, and we would like to know if our newly redesigned Blue Review meets your needs.

- How useful is the information?
- Is this publication easier to read?
- Are there topics you want us to include in future issues?

If you have suggestions on how we can further improve the Blue Review, or just want to share your feedback, please email us at bluereview@bcbsil.com.

Remember, the Blue Review is your newsletter, designed to serve you as a contracting provider. You are an integral part of BCBSIL’s success as a leader in the health care industry, and we highly value your opinion.